

# CONGRESS OF THE UNITED STATES

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## **REPS. MARKEY, DELAURO, ALLEN, CAPPS QUESTION BUSH BUDGET PROJECTIONS FOR ARCTIC NATIONAL WILDLIFE REFUGE *LAWMAKERS SUGGEST PRESIDENT'S BUDGET VASTLY OVERSTATES VALUE OF OIL LEASES***

**Washington, DC:** Representative Edward Markey (D-MA), joined by Reps. Rosa DeLauro (D-CT), Tom Allen (D-ME), and Lois Capps (D-CA), today demanded to know the economic basis for extremely high assumptions regarding the value of leasing mineral rights to drill for oil in the Arctic National Wildlife Refuge. Current law prohibits such drilling, but the Bush Administration is attempting to remove that protection. In a letter to the Joshua Bolten, director of the Administration's Office of Management and Budget (OMB), the four Members of Congress requested an explanation as to how OMB derived per-acre projections for leasing in the Refuge that are 30-150 times higher than actual per-acre lease revenues paid for drilling rights elsewhere on the North Slope of Alaska.

"These budget assumptions border on gross deception and misinformation," said Mr. Markey. "We believe that the people of America deserve an honest debate over this very special place. Are we going to destroy one of God's most magnificent ecological systems on the basis of illusory economic projections?" Rep. Markey asked.

"The Bush Administration underestimated the cost of the Medicare plan to sell it to Congress and now appears to be overestimating the financial benefits of drilling in the Arctic National Wildlife Refuge to sell this plan," said Rep. DeLauro. "I question the accounting practices of this Administration, which is why the OMB must respond with this requested information."

"Congress and the American people need honest information about drilling for oil in the Arctic National Wildlife Refuge," Rep. Allen said. "I am concerned that the White House has inflated lease revenue projections in order to sell a bad environmental policy and to hide the true size of the budget deficit. In the last Congress, the White House suppressed the real cost of its Medicare prescription drug program. We owe it to the public to probe the Administration's estimates in its latest budget."

"This seems to be yet another example of the Administration using inaccurate and misleading information to push a policy for its favored contributors, in this case the oil and gas industry. The Administration claims that opening the Refuge to drilling is the solution to our energy problems, despite the limited amount of oil to be found in this environmentally delicate national treasure. We should be very skeptical of anything the Administration claims to promote its failed energy policies, and the estimates on revenues to be derived from the Arctic Refuge are no exception," Rep. Capps said.

The Representatives believe that the receipts expected in the budget are greatly overstated. Drawing from a recent report by Alaskan economist Dr. Richard Fineberg, the Representatives would like to know why OMB feels that oil companies will purchase leases for between \$4,000 and \$6,000 per acre when, over the last fifteen years, leases on Alaska's North Slope (where the Arctic Refuge is located) have sold for an average of only \$53.03.